



## **FY05 BUDGET RESOLUTION...SECURITY, OPPORTUNITY, RESPONSIBILITY**

# **Economic Growth and Job Creation**

### **The President's Jobs and Economic Growth plan is working...**

Congress last year passed the Jobs and Growth Tax Relief Reconciliation Act of 2003. Last year, GDP growth averaged 4.3 percent, the strongest in four years and well above the 3.7-percent growth during the recovery of the 1990s. Unemployment has fallen from a peak of 6.3 percent in June to a steady 5.6 percent, which is below the average of the 1970s, 80s and 90s. The combined value of the NYSE and the NASDAQ has increased 40 percent.

### **OUR BUDGET MAINTAINS OUR COMMITMENT TO ECONOMIC GROWTH AND JOB CREATION BY...**

#### **Rejecting tax increases on working families...**

At the end of 2004 alone, families face tax increases of up to 26 percent due to expiration of marriage penalty relief, the \$1,000-per-child tax credit and the 10 percent bracket for low-wage workers. The budget provides for maintaining these tax cuts so working families are not hit with tax increases while the economy is still in the midst of recovery.

#### **Making room for expanded trade opportunities...**

The budget assumes changes necessary to accommodate a free trade agreement with Australia. Negotiations concluded in February on the agreement. Australia is among the top 25 export destinations for 48 states. Manufactured goods account for 93 percent of U.S. exports to Australia. U.S. manufacturers estimate that the elimination of tariffs could result in \$2 billion per year in increased U.S. exports of manufactured goods.

#### **Pushing for medical malpractice reform and greater access to affordable health care...**

Making health care more affordable and its costs more predictable will enable employers to hire more workers without also adding a large and uncertain burden of health care costs. The budget provides a deficit neutral reserve fund to help address the problem of the uninsured and calls for savings of more than \$5 billion achieved through reform of the medical malpractice system.

#### **Providing an affordable and reliable national energy policy...**

The budget provides a reserve fund of \$1.5 billion over five years for enactment of a national energy policy. Additionally, the budget assumes \$15 billion in tax relief associated with this legislation.